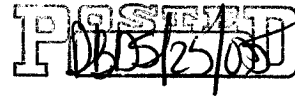


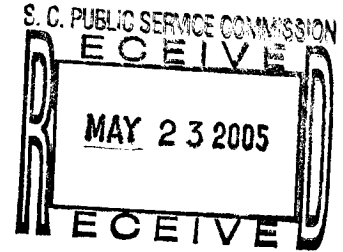
174141

George Fasano, Jr.  
Senior Vice President & Assistant Treasurer

gfasano@scana.com



May 20, 2005



Mr. Charles Terreni  
Chief Clerk & Administrator  
Public Service Commission of SC  
Post Office Drawer 11649  
Columbia, SC 29211

Dear Mr. Terreni:

In compliance with PSC Order 2004-510 in Docket No. 2004-6-G, enclosed please find the report on South Carolina Pipeline Corporation's hedging activities for the period 11/29/04-12/28/04.

If you have any questions concerning this report, please do not hesitate to call.

Sincerely,

  
George Fasano, Jr.

Enclosures as indicated

N:Word/Hedge Activities PSC

Mark to Market Results  
For the Hedging of January 2005 Volumes  
11/29 - 12/28  
Mark to Market vs. Average Market Price

Contract Settle

6.213

| Sales                                   |           |       | Purchases |       |                | Mark to Market |    |
|---|-----------|-------|-----------|-------|----------------|----------------|----|
| Date                                    | Contracts | Price | Contracts | Price | Mark to Market |                |    |
| 1 11/29/04                              | -         | -     | -         | -     | \$0            | 7.837          |    |
| 2 11/30/04                              | -         | -     | -         | -     | \$0            | 7.620          |    |
| 3 12/01/04                              | -         | -     | -         | -     | \$0            | 7.413          |    |
| 4 12/02/04                              | -         | -     | -         | -     | \$0            | 6.811          |    |
| 5 12/03/04                              | -         | -     | -         | -     | \$0            | 6.796          |    |
| 6 12/06/04                              | -         | -     | -         | -     | \$0            | 6.923          |    |
| 7 12/07/04                              | -         | -     | -         | -     | \$0            | 6.621          |    |
| 8 12/08/04                              | -         | -     | -         | -     | \$0            | 6.683          |    |
| 9 12/09/04                              | -         | -     | -         | -     | \$0            | 6.886          |    |
| 10 12/10/04                             | -         | -     | -         | -     | \$0            | 6.843          |    |
| 11 12/13/04                             | -         | -     | -         | -     | \$0            | 7.166          |    |
| 12 12/14/04                             | -         | -     | -         | -     | \$0            | 7.333          |    |
| 13 12/15/04                             | -         | -     | -         | -     | \$0            | 7.236          |    |
| 14 12/16/04                             | -         | -     | -         | -     | \$0            | 7.000          |    |
| 15 12/17/04                             | -         | -     | -         | -     | \$0            | 7.457          |    |
| 16 12/20/04                             | -         | -     | -         | -     | \$0            | 6.952          |    |
| 17 12/21/04                             | -         | -     | -         | -     | \$0            | 6.856          |    |
| 18 12/22/04                             | -         | -     | -         | -     | \$0            | 6.820          |    |
|   | 0         |       | 0         |       | \$ -           |                |    |
| Gain/(Loss) from futures transactions   |           |       |           |       |                | \$ -           |    |
| Gain/(Loss) from option transactions    |           |       |           |       |                | \$ -           | ** |
| Gain/(Loss) from financial transactions |           |       |           |       |                | \$ -           |    |
| 19 12/23/04                             | 0         | 0.000 | 0         | 0.000 | \$0            | 6.668          |    |
| 20 12/27/04                             | 0         | 0.000 | 0         | 0.000 | \$0            | 6.160          |    |
| 21 12/28/04                             | 0         | 0.000 | 0         | 0.000 | \$0            | 6.213          |    |
|   | 0         |       | 0         |       | \$0            | 6.9664         |    |

Program Results

|   |            |
|---|------------|
| NYMEX Average Market Price                                      | \$ 6.9664  |
| Purchase Price Achieved per Normal Scenario                     | -          |
| Difference  | 6.9664     |
| Ratio of Contract in Normal Scenario to Total Contracts in Plan | -          |
| Price Gain (Loss) per Normal Scenario                           | -          |
| Adjustment for Contracts Purchased per Low-Price Scenario       | -          |
| Adjustment for Contracts Purchased per High-Price Scenario      | 0.7534     |
| Total Price Gain (Loss)   | 0.7534     |
| Contracts in Plan   | 63         |
| Gain (Loss) vs Average Market Price                             | \$ 474,630 |

\*\* - Options purchased as a result of high price-scenario

Net gain/(loss) from options transactions

\$ -

South Carolina Pipeline Corporation  
Risk Management Program Adjustments  
Through December 2004

|                                     | 2004      |              |            |            |              |              |             |           |           |           |            |            | Total        |
|-------------------------------------|-----------|--------------|------------|------------|--------------|--------------|-------------|-----------|-----------|-----------|------------|------------|--------------|
|                                     | January   | February     | March      | April      | May          | June         | July        | August    | September | October   | November   | December   | 2004         |
| Commissions                         | \$ 1,724  | \$ 2,253     | \$ 1,780   | \$ 1,889   | \$ 1,053     | \$ 532       | \$ 494      | \$ 261    | \$ 252    | \$ 306    | \$ 987     | \$ 927     | \$ 12,468    |
| Software                            | -         | 3,083        | -          | 3,749      | 2,007        | 2,301        | 1,118       | 1,115     | 3,191     | 3,172     | 3,497      | 2,316      | 25,549       |
| Subscriptions                       | 4,500     | 4,500        | 4,500      | 4,500      | 4,500        | 4,500        | 4,500       | 4,500     | 4,500     | 4,500     | 4,500      | 4,500      | 54,000       |
| Data Feed                           | 497       | 497          | 511        | 511        | 511          | 511          | 511         | 511       | 511       | 511       | 511        | 511        | 6,104        |
| Non Hedging Addition to Cost of Gas | 6,721     | 10,333       | 6,801      | 10,649     | 8,071        | 7,844        | 6,623       | 6,387     | 8,454     | 8,489     | 9,495      | 8,254      | 98,121       |
| Hedging Additions(Subtractions)     | 68,253    | 1,036,000    | 944,450    | 163,450    | (195,150)    | (342,800)    | (86,340)    | 38,500    | 50,750    | 79,800    | 173,000    | 385,300    | 2,315,013    |
| Total Risk Management Program Adj.  | \$ 74,974 | \$ 1,046,333 | \$ 951,251 | \$ 174,099 | \$ (187,079) | \$ (334,956) | \$ (79,717) | \$ 44,887 | \$ 59,204 | \$ 59,204 | \$ 182,495 | \$ 393,554 | \$ 2,413,134 |

Results since inception of program

|                                     | Aug-Dec 1995 | Total 1996     | Total 1997 | Total 1998   | Total 1999   | Total 2000     | Total 2001    | Total 2002    | Total 2003      | Total 2004   | Total        |
|-------------------------------------|--------------|----------------|------------|--------------|--------------|----------------|---------------|---------------|-----------------|--------------|--------------|
| Commissions                         | \$ 3,924     | \$ 53,121      | \$ 83,496  | \$ 59,112    | \$ 56,199    | \$ 50,197      | \$ 38,459     | \$ 49,415     | \$ 42,907       | \$ 12,468    | \$ 449,288   |
| Software                            | 4,215        | 9,547          | 8,947      | 8,412        | 8,412        | 17,063         | 28,176        | 21,782        | 12,082          | 25,549       | 145,085      |
| Subscriptions                       | 9,582        | 23,038         | 25,676     | 31,277       | 31,188       | 34,387         | 31,240        | 31,188        | 51,054          | 54,000       | 322,630      |
| Data Feed                           | 2,061        | 5,296          | 6,429      | 5,305        | 3,575        | 4,200          | 4,235         | 4,413         | 5,588           | 6,104        | 47,186       |
| Non Hedging Addition to Cost of Gas | 19,782       | 91,002         | 124,448    | 104,106      | 99,374       | 105,847        | 103,110       | 106,798       | 111,610         | 98,121       | 964,199      |
| Hedging Additions(Subtractions)     | (284,600)    | (3,722,050)    | 27,450     | 3,410,280    | (838,620)    | (4,136,410)    | 12,884,200    | 11,012,500    | (14,781,610)    | 2,315,013    | 5,686,133    |
| Total Risk Management Program Adj.  | \$ (264,818) | \$ (3,631,048) | \$ 151,896 | \$ 3,514,386 | \$ (739,246) | \$ (4,030,563) | \$ 12,787,310 | \$ 11,119,298 | \$ (14,670,000) | \$ 2,413,134 | \$ 6,650,332 |

**South Carolina Pipeline Corporation**  
**Futures Transactions and Additional Costs Effect on Cost of Gas**  
**Through December 2004**

| <b>Month</b>      | <b>Yr</b> | <b>Cost of Gas<br/>Without Futures</b> | <b>Cost of Gas<br/>With Futures &amp;<br/>Additional Costs</b> | <b>Addition to/<br/>(Subtraction from)<br/>Cost of Gas</b> |
|-------------------|-----------|--|--|--|
| <b>1995 Total</b> |           | 26,240,595                             | 25,975,777   | (264,818)  |
| <b>1996 Total</b> |           | 113,461,568                            | 109,830,520  | (3,631,048)  |
| <b>1997 Total</b> |           | 132,211,553                            | 132,363,451  | 151,898  |
| <b>1998 Total</b> |           | 81,397,552                             | 84,911,918   | 3,514,366  |
| <b>1999 Total</b> |           | 96,671,309                             | 95,932,063   | (739,246)  |
| <b>2000 Total</b> |           | 177,625,268                            | 173,594,705  | (4,030,563)  |
| <b>2001 Total</b> |           | 203,284,081                            | 216,071,391  | 12,787,310   |
| <b>2002 Total</b> |           | 143,116,542                            | 154,235,840  | 11,119,298   |
| <b>January</b>    | <b>03</b> | 40,155,572                             | 35,787,972   | (4,367,600)  |
| <b>February</b>   | <b>03</b> | 44,482,502                             | 40,699,118   | (3,783,384)  |
| <b>March</b>      | <b>03</b> | 45,214,214                             | 39,014,935   | (6,199,279)  |
| <b>April</b>      | <b>03</b> | 9,344,009                              | 9,027,306  | (316,703)  |
| <b>May</b>        | <b>03</b> | 5,505,986                              | 5,373,462  | (132,524)  |
| <b>June</b>       | <b>03</b> | 5,058,757                              | 4,826,041  | (232,716)  |
| <b>July</b>       | <b>03</b> | 4,431,028                              | 4,438,193  | 7,165  |
| <b>August</b>     | <b>03</b> | 4,215,454                              | 4,203,285  | (12,169)   |
| <b>September</b>  | <b>03</b> | 4,214,399                              | 4,235,320  | 20,921   |
| <b>October</b>    | <b>03</b> | 5,401,047                              | 5,450,869  | 49,822   |
| <b>November</b>   | <b>03</b> | 11,195,760                             | 11,267,599   | 71,839   |
| <b>December</b>   | <b>03</b> | 29,632,594                             | 29,857,222   | 224,628  |
| <b>January</b>    | <b>04</b> | 37,366,286                             | 37,441,260   | 74,974   |
| <b>February</b>   | <b>04</b> | 32,192,773                             | 33,239,106   | 1,046,333  |
| <b>March</b>      | <b>04</b> | 17,114,909                             | 18,066,160   | 951,251  |
| <b>April</b>      | <b>04</b> | 7,995,872                              | 8,169,971  | 174,099  |
| <b>May</b>        | <b>04</b> | 6,886,105                              | 6,699,026  | (187,079)  |
| <b>June</b>       | <b>04</b> | 5,296,473                              | 4,961,517  | (334,956)  |
| <b>July</b>       | <b>04</b> | 5,210,408                              | 5,130,691  | (79,717)   |
| <b>August</b>     | <b>04</b> | 5,733,428                              | 5,778,315  | 44,887   |
| <b>September</b>  | <b>04</b> | 5,287,437                              | 5,346,641  | 59,204   |
| <b>October</b>    | <b>04</b> | 6,384,821                              | 6,472,911  | 88,089   |
| <b>November</b>   | <b>04</b> | 31,498,691                             | 31,681,186   | 182,495  |
| <b>December</b>   | <b>04</b> | 53,482,471                             | 53,876,025   | 393,554  |
| <b>Total</b>      |           | <b>\$ 1,397,309,464</b>                | <b>\$ 1,403,959,797</b>  | <b>\$ 6,650,332</b>  |

South Carolina Pipeline Corporation  
Program Results  
Through January 2005

|  | 2005<br>January | Total<br>2005 |
|--|-----------------|---------------|
| NYMEX Average Market Price                                       |                 |               |
| Purchase Price Achieved per Normal Scenario                      | \$ 6.9684       | \$ -          |
| Difference   | 6.9684          | -             |
| Ratio of Contracts in Normal Scenario to Total Contracts in Plan | -               | -             |
| Price Gain (Loss) - Normal Scenario                              | -               | -             |
| Adjustment for Contracts Purchased per Low-Price Scenario        | 0.7534          | -             |
| Adjustment for Contracts Purchased per High-Price Scenario       | 0.7534          | -             |
| Total Price Gain (Loss)  | 63              | 63            |
| Contracts in Plan  | 63              | 63            |
| Gain (Loss) vs Average Market Price                              | \$ 474,630      | \$ 474,630    |

|  | Results since inception of program |               |               |                |               |               |                 |                 |               |                |               |                 |
|--|------------------------------------|---------------|---------------|----------------|---------------|---------------|-----------------|-----------------|---------------|----------------|---------------|-----------------|
|  | Aug-Dec<br>1995                    | Total<br>1996 | Total<br>1997 | Total<br>1998  | Total<br>1999 | Total<br>2000 | Total<br>2001   | Total<br>2002   | Total<br>2003 | Total<br>2004  | Total<br>2005 | Total           |
| NYMEX Average Market Price                                       | \$ -                               | \$ -          | \$ -          | \$ -           | \$ -          | \$ -          | \$ -            | \$ -            | \$ -          | \$ -           | \$ -          | \$ -            |
| Purchase Price Achieved per Normal Scenario                      | -                                  | -             | -             | -              | -             | -             | -               | -               | -             | -              | -             | -               |
| Difference   | -                                  | -             | -             | -              | -             | -             | -               | -               | -             | -              | -             | -               |
| Ratio of Contracts in Normal Scenario to Total Contracts in Plan | -                                  | -             | -             | -              | -             | -             | -               | -               | -             | -              | -             | -               |
| Price Gain (Loss) - Normal Scenario                              | -                                  | -             | -             | -              | -             | -             | -               | -               | -             | -              | -             | -               |
| Adjustment for Contracts Purchased per Low-Price Scenario        | -                                  | -             | -             | -              | -             | -             | -               | -               | -             | -              | -             | -               |
| Adjustment for Contracts Purchased per High-Price Scenario       | -                                  | -             | -             | -              | -             | -             | -               | -               | -             | -              | -             | -               |
| Total Price Gain (Loss)  | 212                                | 1,359         | 2,074         | 2,431          | 2,327         | 2,206         | 2,307           | 2,286           | 855           | 731            | 83            | 16,831          |
| Contracts in Plan  | \$ 49,354                          | \$ 1,324,047  | \$ (131,938)  | \$ (1,672,780) | \$ 1,772,863  | \$ 1,294,867  | \$ (11,388,258) | \$ (12,400,430) | \$ 10,378,773 | \$ (1,519,924) | \$ 474,630    | \$ (11,816,908) |
| Gain (Loss) vs Average Market Price                              |                                    |               |               |                |               |               |                 |                 |               |                |               |                 |

South Carolina Pipeline Corporation  
Contracts Purchased in Advance of Spot Month  
Updated Through December 28, 2004

| Contract Month | Type of Security | Date Purchased   | Sales               |       | Purchases           |       |                      |
|----------------|------------------|--|---------------------|-------|---------------------|-------|----------------------|
|                |                  |  | Number of Contracts | Price | Number of Contracts | Price | Total Dollars        |
| February 2005  | Call Options     | 12/14/04   | -                   | \$ -  | 101                 | 0.734 | \$ 741,850           |
|                |                  | 12/17/04   | -                   | \$ -  | 67                  | 0.770 | \$ 515,900           |
|                |                  | 12/20/04   | -                   | \$ -  | 68                  | 0.658 | \$ 447,100           |
|                |                  |  | -                   | \$ -  | -                   |       | \$ -                 |
|                |                  |  | -                   | -     | 236                 |       | \$ 1,704,650         |
|                |                  |  |                     |       | <u>Per Contract</u> |       | <u>Total Dollars</u> |
|                |                  | February 2005 purchase price of call options             |                     |       | \$ 0.7223           |       | \$ (1,704,650)       |
|                |                  | February 2005 mark to market of outstanding call options |                     |       | \$ 0.2040           |       | \$ 481,440           |
|                |                  | February 2005 funds received on sale of call options     |                     |       | \$ -                |       | \$ -                 |
|                |                  | February 2005 total deferred gain/(loss)                 |                     |       | \$ (0.5183)         |       | \$ (1,223,210)       |
| <hr/>          |                  |  |                     |       |                     |       |                      |
| March 2005     | Call Options     | 12/14/04   | -                   | \$ -  | 83                  | 0.885 | \$ 734,600           |
|                |                  | 12/17/04   | -                   | \$ -  | 55                  | 0.900 | \$ 495,000           |
|                |                  | 12/20/04   | -                   | \$ -  | 55                  | 0.815 | \$ 448,100           |
|                |                  |  | -                   | \$ -  | -                   |       | \$ -                 |
|                |                  |  | -                   | -     | 193                 |       | \$ 1,677,700         |
|                |                  |  |                     |       | <u>Per Contract</u> |       | <u>Total Dollars</u> |
|                |                  | March 2005 purchase price of call options                |                     |       | \$ 0.8693           |       | \$ (1,677,700)       |
|                |                  | March 2005 mark to market of outstanding call options    |                     |       | \$ 0.3692           |       | \$ 712,620           |
|                |                  | March 2005 funds received on sale of call options        |                     |       | \$ -                |       | \$ -                 |
|                |                  | March 2005 total deferred gain/(loss)                    |                     |       | \$ (0.5000)         |       | \$ (965,080)         |
| <hr/>          |                  |  |                     |       |                     |       |                      |
| April 2005     | Call Options     | 12/14/04   | -                   | \$ -  | 35                  | 0.642 | \$ 224,600           |
|                |                  | 12/17/04   | -                   | \$ -  | 23                  | 0.680 | \$ 156,400           |
|                |                  | 12/20/04   | -                   | \$ -  | 23                  | 0.610 | \$ 140,200           |
|                |                  |  | -                   | \$ -  | -                   |       | \$ -                 |
|                |                  |  | -                   | -     | 81                  |       | \$ 521,200           |
|                |                  |  |                     |       | <u>Per Contract</u> |       | <u>Total Dollars</u> |
|                |                  | April 2005 purchase price of call options                |                     |       | \$ 0.6435           |       | \$ (521,200)         |
|                |                  | April 2005 mark to market of outstanding call options    |                     |       | \$ 0.3543           |       | \$ 287,010           |
|                |                  | April 2005 funds received on sale of call options        |                     |       | \$ -                |       | \$ -                 |
|                |                  | April 2005 total deferred gain/(loss)                    |                     |       | \$ (0.2891)         |       | \$ (234,190)         |
| <hr/>          |                  |  |                     |       |                     |       |                      |
| May 2005       | Call Options     | 12/17/04   | -                   | \$ -  | 23                  | 0.660 | \$ 151,800           |
|                |                  | 12/20/04   | -                   | \$ -  | 22                  | 0.593 | \$ 130,350           |
|                |                  |  | -                   | \$ -  | -                   |       | \$ -                 |
|                |                  |  | -                   | -     | 45                  |       | \$ 282,150           |
|                |                  |  |                     |       | <u>Per Contract</u> |       | <u>Total Dollars</u> |
|                |                  | May 2005 purchase price of call options                  |                     |       | \$ 0.6270           |       | \$ (282,150)         |
|                |                  | May 2005 mark to market of outstanding call options      |                     |       | \$ 0.3680           |       | \$ 165,600           |
|                |                  | May 2005 funds received on sale of call options          |                     |       | \$ -                |       | \$ -                 |
|                |                  | May 2005 total deferred gain/(loss)                      |                     |       | \$ (0.2590)         |       | \$ (116,550)         |
| <hr/>          |                  |  |                     |       |                     |       |                      |
| June 2005      | Call Options     | 12/17/04   | -                   | \$ -  | 32                  | 0.700 | \$ 224,000           |
|                |                  | 12/20/04   | -                   | \$ -  | 32                  | 0.635 | \$ 203,200           |
|                |                  |  | -                   | \$ -  | -                   |       | \$ -                 |
|                |                  |  | -                   | -     | 64                  |       | \$ 427,200           |
|                |                  |  |                     |       | <u>Per Contract</u> |       | <u>Total Dollars</u> |
|                |                  | June 2005 purchase price of call options                 |                     |       | \$ 0.6675           |       | \$ (427,200)         |
|                |                  | June 2005 mark to market of outstanding call options     |                     |       | \$ 0.4185           |       | \$ 267,840           |
|                |                  | June 2005 funds received on sale of call options         |                     |       | \$ -                |       | \$ -                 |
|                |                  | June 2005 total deferred gain/(loss)                     |                     |       | \$ (0.2490)         |       | \$ (159,360)         |